

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6527

BILL NUMBER: SB 334

NOTE PREPARED: Jan 31, 2012

BILL AMENDED: Jan 31, 2012

SUBJECT: Dispensing of Prescription Drugs.

FIRST AUTHOR: Sen. Grooms

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill allows a pharmacist, upon request of the patient, to dispense a 90-day supply of a prescription without notifying the prescriber if the prescription, including refills, allows a pharmacist to dispense at least a 90-day supply. The bill does not allow the additional dispensing: (1) until the patient has completed an initial 30-day supply of the drug therapy; (2) for a controlled substance; or (3) if the prescriber indicates on the prescription that the quantity of the prescription may not be changed. It requires the pharmacist to inform the customer concerning whether the additional drug supply of the prescription is covered under the patient's insurance.

The bill requires the Health Finance Commission (HFCO) to study during the 2012 legislative interim: (1) the issue of mail order and Internet-based pharmacies and whether any limitation should be placed on the dispensing of a prescription drug by a mail order or Internet-based pharmacy; and (2) specified health insurance plans and the number of covered people with copayments, coinsurance amounts, and out-of-pocket costs incurred for prescription drugs that exceed specified amounts for the coverage.

Effective Date: July 1, 2012.

Explanation of State Expenditures: (Revised) *Health Finance Commission:* The HFCO has 24 legislative members, consisting of the members of the Senate Health and Provider Services Committee and the members of the House of Representatives Public Health Committee. The HFCO operates under the policies governing study committees adopted by the Legislative Council. Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$16,500 per interim for committees with more than 16 members. The HFCO should be able to add these two study topics to their plan of work within

the likely committee budget.

The bill would require the State Personnel Department and the Department of Insurance to report on the number of covered individuals that have out-of-pocket costs for prescription drugs that exceed specified monthly amounts. The Office of Medicaid Policy and Planning would be required to report on the number of individuals that become eligible for Medicaid as a result of the cost of prescription drugs. The agencies should be capable of reporting to the HFCO within the current level of resources available.

Background Information: Medicaid: The current Medicaid policy for maintenance medications limits the dispensed quantity to no more than a 100-day supply. A maintenance medication is defined as a drug that is prescribed for chronic, long-term conditions and is taken on a regular recurring basis.

Nonmaintenance medications are limited to no more than a 34-day supply per dispensation. If the bill would permit a pharmacist to dispense a 90-day supply upon the patient's request, Medicaid would still pay for no more than a 34-day supply.

Employee Healthcare Benefits: Employee benefit plan drug policies would prevail as well. A patient may request a 90-day supply, but benefit plans would pay for the quantities of a dispensed medication as controlled by the particular plan policy.

Explanation of State Revenues:

Explanation of Local Expenditures: *Employee Healthcare Benefits:* Employee benefit plan drug policies would prevail. A patient may request a 90-day supply, but benefit plans would pay for the quantities of a dispensed medication as controlled by the particular plan policy.

Explanation of Local Revenues:

State Agencies Affected: LSA.

Local Agencies Affected:

Information Sources: OMPP, FSSA

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